अमेंडमेंट लाए जाएंगें, जो रिफार्म्स लाए जाएंगें , वे सबसे चर्चा करके ही यहां लाए जाएंगें। धन्यवाद।

MR. CHAIRMAN: The House is adjourned till 2 o'clock.

The House then adjourned for lunch at one minute past one of the clock.

The House reassembled after lunch at four minutes past two of the clock.

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK) in the Chair

THE APPROPRIATION (NO. 3) BILL, 2002

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Sir, I beg to move:

"That the Bill to authorise payment and appropriation of certain, sums from and out of the Consolidated Fund of India for the services of the financial year 2002-03, as passed by the Lok Sabha, be taken into consideration."

Sir, the amounts provided in the' Bill are inclusive of the sums already authorised in the Appropriation Vote on Account Act, 2002 (No. 22) of 2002.

The question was proposed.

SHRI SANGH PRIYA GAUTAM (Uttaranchal): Sir, is there any speaker? Everybody on that side is interested in listening to the speeches of their leaders in the Lok- Sabha. It would be better if we pass it without discussion.

उपसभाध्यक्ष (**श्री रमाशंकर कौशिक**) **:** आप तो बोलने वालों में है।

श्री संघ प्रिय गौतम : हमारी तरफ से कोई नहीं बोलने वाला। लोक सभा में आज सोनिया जी का भाषण चल रहा है। सब लोग वहीं है।

श्री प्रेमचन्द गुप्ता (बिहार) उपसभाध्यक्ष महोदय, एप्रोपिएशन बिल पर तो डिसकसन

लोक सभ में भी नहीं होती है । इसलिए इसके बिना डिसकसन के पास कर देना चाहिए । ...

(व्यवधान)...

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK): Shri Prithviraj Chavan.

SHRI PRITHVIRAJ CHAVAN (Maharashtra): Mr. Vice-Chairman, Sir, I stand to oppose the Appropriation (No.3) Bill, - the Appropriation Bill amounting to Rs.7,36,000 crores - which has been approved by the Lok Sabha and which the Finance Minister wants us to sanction. Sir, I oppose this Bill because of the state of the' economy which is prevailing under the present NDA Government. It presents a sorry state of affairs, beginning with the low GDP growth rate in the economy. We were shocked to see the estimates of the Central Statistical Organisation, when the growth rate for 2000-01 was scaled down to mere a 4 per cent, compared to the previous year's 6.1 per cent. Sir, the estimate was scaled down so drastically that one had doubts about the credibility of the Central Government's statistics gathering machinery. I understand the Government is proposing to reform the whole set-up. But the reliability of statistics also affects our international credibility. It affects our credit rating. Now, the Government has projected a growth rate of 5.4 per cent for 2001-02. But even if this growth rate is scaled down in the final analysis, we do not know what is going to happen. The RBI maintains that the growth rate will be 5-6 per cent; it can be as low as 5 per cent. And the NCAER, the think-tank of Delhi, has projected a growth rate of 4.8 per cent; and, this is without factoring certain developments, certain negative developments that we all know, have taken place. So, the economy, instead of growing at the rate of 8 per cent or 9 per cent, as the Prime Minister and the Finance Minister have been telling us, is actually down to 4 per cent.

Sir, the story about the mounting revenue and fiscal deficit is equally bad. The revenue deficit which was about 4 per cent in 2001-02 --when the Congress (I) demitted office in 1996-97, it was as low as 2.3 per cent. The first deficit - has gone up to 5.7 per cent. It was estimated to be 4.7 per cent in the Budget Estimates but it has gone up by 1 whole per cent. Again, we budgeted 5.3 per cent for this year, but I do not know whether that figure will be maintained or, it will, probably, overshoot even the 6 per cent mark. There is a revenue shortfall. There are signs of the economy slowing down; the economy is in recession. The net revenue

shortfall last year was over Rs.20,000 crores. The revenue shortfall is not just in a particular sector. It is there in personal taxation, customs duties, excise duties, everywhere. This revenue shortfall indicates clearly that the economy is really slowing down. Sir, the story of industrial growth rate is equally dismal. There has been a tremendous slowdown in the industrial growth. We talked of recovery. But there is no sign of recovery. Deep recession is before us. From April to December, 2001, the industrial growth rate was a mere 2.3 per cent. It is the lowest jn a decade. It was 5.8 per cent last year. Compared to last year, from 5.8 per cent, we have gone down to 2.3 per cent. Again, the advance statistics given by the CSO indicate an annual growth rate of only 3.3%, compared to 6.2% last year. There has been a tremendous slow-down. The infrastructure sector, which contributes about 27% to the index of industrial production, has grown only by 2% during the period from April, 2001 to November, 2001, compared to the previous year's growth rate of 6.4%. The crude oil sector has negative growth. The power sector has grown barely by 2%. The steel sector's growth is almost zero per cent - down to 0.6 per cent growth from a growth of 10% last year. The railway freight is down. Infrastructure is down. Industrial growth is not picking up. What has happened to exports? We all know that exports are stagnating. And it seems that it will be very difficult to meet even the scaled-down target of 3% - scaled down from the 12% target earlier. I think it will be difficult even to meet the target of 3% growth. We might even end up with a negative growth. The Centre for Monitoring Indian Economy expects an export growth rate of barely 1.3%. I personally think that we may not achieve even that low target.

Sir, there is drying up of investment. Because of the sorry state of Central finances, the plan expenditure is down. If at all the plan expenditure is shown to be higher, in real terms, it is either negligible, or, even negative, at times. There is no demand in the economy. Without a demand push, the economy will not pick up; the industrial growth will not pick up. Local investment is down. What is happening to the FDI? The foreign direct investment figures are also negative. From January to November, 2001, according to the Government figures, the net FDI was $ 3.7 billion. In the same period of 2000, it was 4.5 billion dollars; and in the same period of 1999, it was four billion dollars. So, FDI is coming down again. What has happened in Gujarat? Everybody whom we have talked to -- the NRIs outside, the industry associations, and so on - is gravely concerned about foreign investment coming into India. There is going to be a complete

drying up of investment, unless the economy revives, unless the Gujarat situation is sorted out. There is such a negative feeling all over the world about the viability of India as a destination for international funds, That foreign sources of investment are really going to dry up. I am not sure if the Finance Minister has seen a report of US Government's Organisation, called the OPIC, the Overseas Private Investment Corporation. It is an organ of the US Government. The OPIC has already blacklisted India as a destination for American investment. There was a letter written by the OPIC to the National Security Adviser in November, 2001, very specifically threatening that unless a certain project, particularly the Enron project, was sorted out to the complete satisfaction of the Enron Corporation, there would not be any American investment in India. All that is coming here now. We are getting reports from America that because of OPIC's assessment and because of whatever has happened in Gujarat, there will not be any substantial foreign investment coming from America and from the Western world.

Sir, I talked about the huge revenue shortfall. The tax to GDP ratio is coming down. The Finance Bill has substantially modified the direct tax proposals. But I do not think it is more than a tinkering. If the Finance Minister would recall, his predecessor had launched a major exercise to simplify the direct tax code. I remember, the Parliamentary Consultative Committee had many sittings to discuss the proposed draft Bill for the Direct Tax Code. I think the Finance Minister has given up the entire exercise. So much effort had gone into drafting the Direct Tax Code to simplify it, but now what we see is, there are 157 clauses in the Finance Bill which deal with Direct Tax Code. It is getting more and more complicated. The Finance Minister has hit the middle class and the salaried class, but he has no political will to go after the huge list of defaulters consisting of big companies, corporate sectors and big business houses who have defaulted to the tune of tens of thousands of crores of rupees. There has not been big substantial movement in this regard. The Finance Minister does take the credit for simplifying the excise duty legislation. But, he is nowhere near achieving the goal of full VAT system because the State Governments are not on board. There have been a few meetings perfunctorily, but the State Governments are completely blank as to how they are going to modify their sales tax and octroi laws and how they are going to integrate the same with the national laws. I think we are still far away from the objective of Value Added Taxation.

Sir, computerisation in the Revenue Department is not progressing as fast as it should. Perhaps, there is resentment and opposition by the lower level employees. But the Government should see to it that all employees are imparted training on computers. There is a backlog on imparting training to its employees on computers; there is a backlog on computerisation; there is still a backlog on issuing Permanent Account Numbers. Unless a comprehensive Permanent Account Number is given to all the entities who pay tax and all of them are cross-checked with an All India computer network. We will not even be able to contain the scourge of black money. I, therefore, urge upon the Finance Minister to look at the work done by his predecessor in simplifying the Direct Tax Code. He has to come up with a very strong policy to get at the tax arrears and the defaulters who are not paying taxes and there has to be a time bound programme within which the defaulters will pay their dues.

Sir, I now come to the critical area of subsidies. Through the Budget, the Finance Minister has tried to reduce the subsidies. He has managed to tax only the middle class and the poor people and the poor agriculturist. His two main proposals relate to reducing subsidies on fertilisers, on LPG and kerosene. Sir, LPG subsidy has been rolled back slightly, but there has been no rollback on kerosene. Actually, the increase in kerosene price was even higher than the LPG price. The Finance Minister has rolled back the LPG price because there was pressure from his own party constituents. I appreciate dismantling of administered price mechanism in the petroleum sector; and moving over to market determined prices. That was a decision taken long back. The Finance Minister could have avoided price increase in kerosene and LPG by not increasing the Excise Duty from eight per cent to 16 per cent CENVAT rate. I think he could have deferred it and he need not have to increase the prices of LPG and kerosene which are used by poor people.

The Minister has been able to manage to reduce the fertiliser subsidy by about Rs.9,00 crores. Sir, this year, there is a crisis in the farm sector and the agriculturists are facing many problems due to non-procurement by the Government. The godowns are full of sugar, wheat, etc. In such a year, when farmers are committing suicides in large numbers, he could have avoided to increase the prices of fertilisers. I even appeal to him that when the Finance Bill would be taken up for discussion in this House --even though the Finance Bill has already been passed by the Lok Sabha -

to reconsider it and not increase the price of fertiliser. We are facing a grave agricultural crisis. He has not addressed to the agricultural crisis at all. Sir, I remember, in 2000-2001 Budget, the Finance Minister delivered a deadly blow to the Public Distribution System by increasing the issue price of foodgrains, meant for consumers living Below the Poverty Line. The price of wheat was increased by 68 per cent and the price of rice was increased by 50 - 60 per cent.

What happened? Naturally, the PDS issue price for the BPL consumers became higher than the market price, because there was already a glut of foodgrains in the market. Nobody went to the PDS shops. The PDS system started collapsing. As a result, the FCI godowns are overflowing. It is estimated that by June 2002, the stocks in the FCI godowns would start touching 75-80 MT while the food security stocks that we need are 18-25 million. What are you going to do with this mountain of foodgrains which is rotting? You are not able to deliver foodgrains to the people who are starving of hunger.

Sir, this is the foodgrains crisis before us. If the Government is planning not to procure foodgrains at the minimum guaranteed price, they are inviting trouble. I think, there will be a revolution. It will take some time for the Punjab farmers to changeover from wheat and rice to alternate crops. They have to be given time. You can't just stop procuring foodgrains. This is a serious crisis. The only way out, I think, is to find money to give huge export subsidies. The Food-for-Work Programme, the Annapoorna Programme and all those programmes that you have talked of, would not get food out of this country. The food will just go from here to there. The total availability of food will remain high. I think, the only way to get rid of the foodgrains is to export it at whatever price possible. You have made attempts to export foodgrains even below the price of what you sell to the poor people in the country. You will have to give huge export subsidy to get rid of the stocks within the country. Just shifting it from one programme to the other would keep the stocks at the same level. By this, the crisis is not going to blow over.

Of course, we need some innovative schemes where food actually reaches the poor people. Maybe, you can try food coupons. Innovative Food-for-Work Programmes which really work should be tried out. The State Governments need to be taken on board. There is an impending crisis.

I come from an area which produces sugarcane. There is a sugar crisis too. The Minister of State is here and he too comes from the same area. The sugar crisis is so grave that sugar stocks in the country today are 12 MT, almost two-third of what we need in the country, maybe even more than that. Again, the same story, the godowns are full. People have kept sugar in the open, under tarpaulins. With just one rain, the entire sugar would be wiped out, and it would not be fit to be consumed. What will you do about it? Here, again, some innovative schemes to get rid of these stocks and bring the stocks to a manageable level, by giving innovative export subsidy, will have to be tried. But, strangely, there is no concern at all in solving the agriculture crisis. There is farm crisis everywhere, in Kerala, in Karnataka. Each State has a crisis in a commodity.

After the WTO regime, when you opened up the farm sector for imports, this crisis is getting graver. I don't think there is a serious attempt. We hear from the Finance Minister is, "A committee had been appointed, Food Economy Committee is going to give its report, it has given its report, it is being considered." For the last couple of years, since we have been hearing about crisis, but nothing is happening on the ground.

Sir, I was talking about subsidies. We need to bring subsidies to a manageable level, and we all agree. But subsidies need to be targeted. Subsidies, which are going to the richer sections of the society have to be removed, and not the subsidies which are going to the poorer people. A cut in the fertilizer subsidy, LPG subsidy, and kerosene subsidy will hurt poor people the most. The Finance Minister has chosen a soft option, by targeting the poor people, who are not vocal, who are not an organised class. He has not dared to touch the richer sections.

I come to a few more points which are of grave concern to the national economy. One of the points is the grave state of finances of the State Governments.

All the State Governments are facing a huge financial crisis and a huge fiscal deficit. Actually, the combined fiscal deficit of the States and the Central Government is today higher than what it was in 1991. Both the Central Government's and the State Governments' fiscal deficit are contributing to it. But I am worried about the finance of the State Governments. Sir, I will just give an example. I do not know whether the Finance Minister has seen a recent article by Shri Madhav Godbole, an

expert in this area and who was the former Secretary to the Government of India, who has been very deeply involved in the finances of the State Government of Maharashtra. His article has appeared in the Economic and Political Weekly of January. He is now talking about the Maharashtra State's finances. Maharashtra has been a leading State. It is a rich State and generally managed well. But Mr. Godbole in his article says that the Maharashtra Government or the President of India will have to invoke Financial Emergency under article 360 of the Constitution because the finances are not sustainable. If this is the case of Maharashtra, you can imagine what will be the position of Bihar and other States. I think the Finance Minister needs to take leadership, call all the people, maybe, the National Development Council and sit down and discuss how we can get the deteriorating fiscal situation of the States reversed. I think we need to probably evolve a system of credit rating for the States. The RBI must also evolve some mechanism. The defaulting States which are indulging in financial indiscipline should be penalised by a system of credit rating by charging higher interest rates or withdrawing loans. The Finance Minister should also plead with the State Governments to enact a Fiscal Responsibility Act like the one which we are trying to legislate at the Central level. But the leadership has to come from the Finance Minister. Sir, recently there has been a spate of problems in the banking sector, particularly the cooperative sector. I am not talking of the entire banking sector. The entire banking NPA levels are so huge. Again, there is no conscious attempt or will power to attack this because most of the defaulters are big industrial houses whom everybody is afraid to touch. But I am particularly talking about the cooperative banks. Recently there was a report about a likely fraud in Maharashtra in cooperative banks. The initial report says that non-delivery of Government security could lead to a default of something like Rs.150 crores. A few banks have been named. One dot com. company named Home Trade appears to be involved. What is happening to our regulatory mechanism? After Madhupura Merchant Bank why do you have problems of the cooperative banks again and again? Will the Government get to the bottom of it and change the law if needed. The cooperative banks are today governed by the State Governments as well as by the RBI. There needs to be some kind of a uniformity so that these frauds do not recur. Sir, I will take a few more minutes of the House to plead for the case of Mumbai as an international finance centre. The Maharashtra Government has created a Task Force and got together a lot of documents along with the industry associations to project Mumbai as an

international finance centre. Sir, you all know that Mumbai has comparative advantages over any other Indian city. It has well-developed infrastructure. It is already the business capital of the country. It has good hinterland linkages and a good port. It has got a large English-speaking manpower. It has the right attitude. But there are certain problems. I think we need to legislate a comprehensive law. If an international finance centre is to be located in a special economic zone, then we need to have a comprehensive law so that Mumbai can become an international finance centre. There is already a tremendous competition from neighbouring countries - Colombo, Shanghai, Manila, Bangkok, Jakarta and even Dubai. These people are vying with one another to become an international finance centre. If you take pro-active action, support the Maharashtra Government and support the industry associations which are trying to build Mumbai as an international finance centre, I think, in time to come, it will emerge truly as an international finance centre.

I am not talking about offshore financial centre. I am not talking about a tax heaven. But I am talking of international financial centre where companies come to locate their regional headquarters. They come to work out international mergers and acquisition deals and through which a lot of international manpower comes and work, because India will give a comparative advantage to the international community.

Finally, why are we not supporting this Appropriation Bill? I tried to highlight the state of the economy. It is in a very bad shape. International events like 11th September attack have not helped us at all. Even though the hon. Finance Minister, in his initial remarks, said that the events of the World Trade Centre would not affect the Indian economy. But they seem to have affected us. Events in Gujarat have affected us. They continue to affect us, unless the Gujarat problem is sorted out, Unless there is a change in the administration and unless the confidence of the investing community is restored, which it is living in drowse, forget about new investment coming into India. Investment is likely to shying away from India. Sir, the Budget is a document which is not only the statement of financial accounts, but also a statement of economic direction of the Government. Unfortunately, over the last few years, the sanctity of the Budget process, due to frequent rollbacks, has suffered. The credibility of the hon. Finance Minister has suffered. I share his problems. I know he has problems. They are running a coalition Government. But, surely, when the Budget proposals are being framed, they are discussed threadbear with the hon. Prime Minister, if not

with the entire Cabinet. And, particularly, politically, unpopular decisions not likely to be welcomed are discussed; and, only after a thorough political discussion, the Budget is prepared and presented to the House after the Cabinet approval. What has happened in these meetings? The hon. Finance Minister goes through the whole process of meeting with industry associations, big businessmen and he meets all sorts of people. And it is only after a careful deliberations, he presents to the House what he considers as the best set of recommendations in the national economy. It is very unfortunate that the hon. Finance Minister is called as 'rollback Finance Minister.' It is not good for the national economy. Why did it happen? Either the Finance Ministry has not been able to put enough thought into political economy or the hon. Prime Minister is not backing his Finance Minister. The hon. Prime Minister, probably, does not appreciate the difficulties of the hon. Finance Minister. As a result, what we have is that the Budget proposals are presented but you are not sure of passing those proposals. The industry is on tenterhooks. The whole country does not know what would be the final shape of the Budget.

Sir, everybody hailed the last year's Budget. We criticised lhat, but industrial houses hailed that as a 'dream Budget.' People gave ten out of ten marks. Somebody from the industry said, 'I do not know what more to ask. He has fulfilled all the expectations.'? It was nothing in the end except a whole list of intents of what he proposed to do. He could have done it at any time. He did not have to work till the last working day of February. But he waited. The entire country, particularly, business and industry was very happy. What has happened? Nothing happened. There is no progress. Now, the hon. Finance Minister says, 'now I will consolidate.' That means he has changed the Budget cycle from one year to two years. First year, he has proposes what he hopes to do. He is not able to do it in one year. Now he says that he will consolidate and follow it by bringing legislation. How many things are there? What is happening to pension reforms? What happens to social security net? What happens to food economy, labour legislation, strengthening of SEBI, petroleum regulation, etc.? We have been talking about all these things since last year's Budget. Nothing has happened. Now, we are asking one thing as to why the hon. Finance Minister is not able to bring consensus within his Sangh Parivar and within his NDA alliance and finally come over to the Opposition to discuss his Budget proposals. Sir, the Congress Party has always offered a hand of constructive co-operation. Any Bill, whether it is

the WTO legislation, whether it is pertaining to insurance sector reforms, etc., we have supported. But, anything which is anti-poor, anti-farmer we, naturally, cannot support such proposals. But, I am sure that we can work for consensus, if an effort is made by the hon. Finance Minister. But he is finding it difficult to get a consensus within his own party. ... within his own *sangh pariwar,* what to talk of his coalition. We just hear that committees have been set up, reports are awaited, reports are being studied. But nothing happens. When will things start happening? Does the Finance Minister go to sleep after the Budget is passed, and wait for the next 28th February to announce a whole list of new things? That will not do. Unfortunately, the Budget process has become a trial balloon. The Finance Minister proposes a few things and sees whether they are accepted or not. If not accepted, he rolls back. The credibility of the whole system is at stake. I wish the Prime Minister gave the backing to the Finance Minister, in the interest of the national economy. I will just end by saying that the credibility of the whole system is at stake. In the speech delivered last week before the leading industry association of the country, the CII. the Prime Minister had to beg before the industry captains. What did he say? He said, "Please take my Finance Minister seriously. Please believe in the Finance Minister." Why had the Prime Minister to plead before the industrialists? He had to plead because the credibility of the Finance Minister is at such a low. This Government is not going to revive the Indian economy. This Government is rather harmful to the Indian economy. The sooner we get rid of this Government, the better it will be for this country. Thank you, Sir.

SHRI LALITBHAI MEHTA (Gujarat): Sir, I support the Appropriation (No.3) Bill, 2002, moved by the hon. Finance Minister. Thank you.

SHRI JIBON ROY (West Bengal): Mr. Vice-Chairman, Sir, whatever had been the circumstances, the hon. Finance Minister has withdrawn some of the tax proposals. It will, at least, bring some relief to the labour community. Thank you very much. But, at the same time, I would request you to consider something more, especially for the labour community. The Government is there today. Nobody knows what will happen tomorrow. For the sake of the economy, there should be unity. I believe, today or tomorrow, the Government will have to appeal to the labour community, the working class, for their support. You may quarrel for the time being today, but, for the betterment of the economy, you cannot bring back economy on

rails without the support of the working class. Now, the point is, why do you carry the stigma that your Government is anti-labour? You please think over two issues. One issue that I had argued about during the discussion on labour was about bonus. You were pleased to meet the Prime Minister. It was almost settled. But the employers vetoed it. The Government is not to lose or gain much out of it. The Government is paying bonus to its employees. But why should the Government carry the stigma that the Government is the Government of employers, and not labour. In the end, you will have to call the labour for your support, for the revival of the economy. That is what I feel. The second point is regarding the exemption limit. In 1960, it was Rs. 50,000. You take the price level of 1950, i960 and that of today. On that basis, the exemption limit should have been Rs. 2,00,000/-. You think over it. I do not say that you announce it today. So far as bonus is concerned, I require your arbitration. You take the initiative. Bring both the parties together. See that something is done. So far as the exemption limit is concerned, you please see that some relief is given.

It depicts the character of our Government. Sir, I would like to draw the attention of the hon. Minister, to which he had also referred to during the Budget discussion, that is, about having a general consensus on the economic situation of our country. Some consensus has to be there. To begin with, at least, the issues raised before this House should be answered. They should be answered to involve the people of our country. Sometimes, speakers like me do raise some irrelevant points, but sometimes, somebody may also raise an appropriate question. Therefore, my request is that, at least, some basic questions should be answered.

So far as the question of economic crisis is concerned, there has to be a general consensus. There has to be consensus between the Government side and opposition side. The first consensus has to be on the point that the economy is facing a severe crisis. And this crisis is not linked to international crisis alone. The international crisis has just started. The international crisis is only one, or, one-and-a-half year old. But our crisis started from 1997 itself. If you compare the two figures, they speak for themselves. During 1995-96, the growth rate of Net Fixed Capital Stocks had gone up to 10.5 per cent. And, now, it has again come down to the level of 1991. If you see the growth rate of productivity, you will find that during 1995-96, the growth rate was six per cent. That has also come down.

Even the rate of investment has come down. Therefore, there has to be a general consensus on this point so that our crisis is not linked to the international crisis. Our crisis started long before 1996-97.

Secondly, there has to be a consensus on the point that the basic reason of our crisis is the demand constraint. Demand constraint is the basic reason for economic crisis; there is no other reason for it, neither labour nor anything else. During 1980's, we were able to have a record production, even with the existing Labour laws. During 70's and 80's, the productivity had increased. You can see the figures for yourself. At that time, when late Shri Rajiv Gandhi, first initiated the reforms, the growth rate was much higher. Therefore, there has to be a consensus on the question of demand constraint also. Earlier, I had raised a question during the Budget discussion: How are you going to deal with the problem of demand constraint? How are you going to ameliorate the demand constraint? That was my basic question. I posed that question before the Government. I posed that question before the economic authorities as to how you are going to address the demand constraint because our crisis has got some peculiarity. I am not a student of economics. May be, Mr. Arun Shourie, or, the Minister himself will be able to explain to me. I know, whenever there is an increase in the growth rate of agriculture, the same gets reflected on the growth rate of industry also. When there is a 5-6 per cent growth in agriculture, certainly, there should be, at least, 1-2 per cent growth in industry also. But the peculiar feature of our economy is that it does not get reflected like that. During 2000-01, the growth rate of agriculture was 5-6 per cent, but there was a negative growth rate of 0.2 per cent in industry. Despite a growth rate of 5-6 per cent in agriculture, the manufacturing sector went down, the mining sector went down and the industrial sector also went down. Even the growth rate of the service sector also went down *...(/nterruptions)...* Try to understand Economics. I am trying to understand it from my Minister. I am not a teacher; I am a student and I am trying to understand the reasons behind it. If the growth rate in agriculture does hot have any effect on the industrial sector, that means, there is something seriously wrong with the economic system itself.

People do not have the capacity to absorb as far as the growth in agriculture sector is concerned. There is a surplus in foodgrains. We have made a good progress, as far as the agriculture sector is concerned. Sir, another thing that I would like to impress upon you is that during your

Budget Speech -- I have gone through your speech from the records -- I was not there, I took your permission -- your reply was very brief, both in the Lok Sabha and in the Rajya Sabha. You did not reply to the basic questions put before the Government. But the point is that keeping in view the international scenario there is no other option but to expand the domestic demand. The peculiarity of our economic scenario was that from 1997-1998 itself, the growth rate of the international trade, was greater than the growth rate of our trade. So, this was the scenario. The hon. Minister can vouch the document on International Labour standards that I was reading at that time. Therefore, in such a global situation, it becomes very difficult for a nation like us to judge as to what is the trend of international trader what is the trend of production, etc. Therefore, unless we expand our domestic demand, we cannot stand up to the developed countries. I do not know how you are going to address this problem.

Another point is that a peculiar change has taken place in the industrial structure too. During 70's or 80's, 80% of our production used to come from the basic industries - basic and large-scale machine building industries, but now, 50% of the production comes from the consumer-goods industries. And, most of the machineries are imported by these industries. While replying in the Lok Sabha, you have lamented that the profitability of the public sector units has gone-down. It is bound to go down. It was the public sector which was engaged in producing basic things like machinery, etc. Nowadays, all these machineries are being imported; therefore, you cannot expect the private sector or the public sector which are engaged in those sectors to make profits. Keeping in view the international scenario, I would like to know from the hon. Minister whether you will revert back to the public sector or support the public sector. To this end, you will be required to divert your investments from the consumer goods industries to basic industries and intermediate industries.

Another point I would like to make is that when you, Mr. Minister, took over or even before that, we were probably at 3rd or 4th position as far as the number of technical personnel in India was concerned. But now that number has also gone down. In 1989-90, the percentage of both the hi-tech and the medium-tech personnel was around 30%. Now it has gone down to 12%. The number of technical personnel is going down; the number of technicians is going down. We have become pauper as far as the technical personnel are concerned. For everything, from road building, mapping, to

nakshas, estimating, etc, we have to depend on foreign countries. You have to take care of this aspect also. These problems have to be solved. Our Minister, Shri Arun Shourie, is a specialist on China affairs. Whenever he gets a chance, he speaks about China. I would like to tell him that I have also been to China, a number of times, and everytime I go, I find some changes. The basic magic of China is -- it is for Mr. Arun Shourie's consumption, and, to some extent, this magic is followed by West Bengal also -- it has expanded its domestic demand by instituting land reforms during the Revolution period. Their market at the ground level is unlimited. Of course, other aspects are also there. Their political system, their control over certain things, etc. are some of the very good things that they have, but the basic thing is that they have implemented land reforms. This is an area to which I wanted to draw your attention. This is one thing. The other thing to which I would like to draw your attention is about the tax structure. We collect much less amount of tax, compared to many other countries. If you do not collect tax from the farmers, especially, from the big farmers, if you do not touch the services, and if you do not touch big farming communities, you cannot expand. What is the difference between India and China? Of course, there are many differences. But the basic difference is that they have implemented the land reforms properly. Despite the stepmotherly attitude against West Bengal for the last 25-30 years, we are surviving because of the land reforms. One can carry out the process of liberalisation, privatisation, globalisation, but if you do not follow the basic dynamics of land reforms, its basic grammar, its basic discipline, you cannot produce better than what you are producing now. You have to accept this fact. I am not going into the bigger aspects. But what I want to say is that, at least, you have to address these two things. One thing is 'do not carry the stigma that your Government is anti-labour.' Do something on the income-tax and bonus front. I leave the aspect of bonus to you. You can act as arbitrator for both the sides; the workers will bless you. The second point is about the demand constraint. You try to answer this question. Forget about our differences as to whether there should be liberalisation or no liberalisation. At least, I am forgetting it for the time being. You try to answer the question as to how you can address the demand-constraint situation; how you can expand the domestic demand? Can you do it without land reforms? If any country in the world has done it without implementing land reforms, you show me and we will follow you. Thank you very much, Mr. Vice-Chairman, for giving me time to speak on the Appropriation Bill.

MISS MABEL REBELLO (Madhya Pradesh): Sir, the hon. Finance Minister did present a Budget in which he plans to spend about Rs. 4 lakh crores. But he has not given any particular direction to the economy of the country. Sir, it is unfortunate that the Finance Minister of India has preferred to play the role of a mere tax collector rather than that of a visionary, charting the course of the economy for the prosperity of the country and its people. Sir, before me, two speakers have already spoken. Shri Prithviraj Chavanji has talked about industry, agriculture, fertilisers, etc. in his speech, and my friend, Shri Jibon Roy, has spoken on labour. But, Sir, I want to take up the social sector. On that day, when the Finance Minister presented the Budget, I was very happy. When he said that he had increased the allocation by about 33 per cent for women and child welfare programmes, I really thought that this Finance Minister cared for the women and children of India. Women are roughly 52 per cent of the country's population. But when I went through the Budget, I realised that it was almost a gimmick. No doubt, from Rs. 1500 crores, he has increased it to Rs. 2200 crores. But what has he done? He has increased it by Rs. 313 crores. But this increase for women and child welfare programmes is merely for the ICDS. And, for Anganwadi workers, who were getting Rs. 500, he increased it to Rs. 1000; for the assistants, who were getting Rs. 250, he made it Rs. 500/-. I am happy that these women are getting a little extra amount. He had made a provision of Rs. 200 crores for the North-Eastern States and for Sikkim. But I am sure that this Rs. 200 crores will never be spent on the North-Eastern States and on Sikkim at all. This is what happens every year; the same thing will happen this year also. But what has he done for the women and children of India? Today, we have about 15.78 crore children in the age-group of 0-6 years; out of these children, about 4.3 crore children belong to the families who are living below the poverty line. To whom is this ICDS catering? It is catering to only 2.83 crore children. He said that he would universalise the ICDS; *i.e.* in every block, there will be ICDS. In spite of that, they will be catering to only 2.83 crore children. Only those children will get some food. That means, effectively, 1.5 crore children below poverty line will not get food. We all know what food they get. Actually sometimes, I doubt whether that food is worth giving. In spite of the food being that bad, still, those children eat it. Still, 1.5 crore children below the poverty line are deprived of ICDS food. Therefore, I would urge upon the Finance Minister to ensure that all the 4.3 crore children, who are below the poverty line, get this ICDS food.

On the Independence Day Anniversary, in the year 2001, the hon. Prime Minister announced the National Nutrition Scheme. The Finance Minister must be aware of it. It is supposed to cover adolescent girls, pregnant and lactating mothers belonging to BPL families. They were to get five kilograms of grain, either wheat or rice, monthly free of cost. The scheme has been announced, but the scheme has still not been implemented. I would, therefore, request the Finance Minister to implement the scheme quickly. Although our food stocks are large and we are expecting a bumber crop -- our Prithvi Raj Chavanji has just said that we were having 60 million tonnes of foodgrain and we would now be having 80 million tonnes in our stocks -- these adolescent girls, pregnant and lactating mothers below poverty line are still going hungry. Since the Prime Minister has announced it, please give it to them.

Similarly, what is it that the Finance Minister has done for women's empowerment? There is nothing that he has done for the social and economic empowerment of women. I know, he would say: 'Oh, we have done so much for women's empowerment." Last year, he made a Budgetary provision of Rs.500 crores to provide micro-credit for self-help groups of women. But when, in the month of January, we were in the State of Kerala, which is supposed to be a progressive State, the Local-self-Government Secretary there did not know whether there was a provision for this type of a scheme. He did not know that the money was allocated to NABARD, and, through it, they were to get money to support self-help groups of women. If that is the state of affairs, I do not know why this money is allocated at all. I sometimes feel that this money is allocated just to improve the balance sheet of NABARD. Micro-credit no doubt is a good scheme, but what is happening in India? These self-help groups are encouraged to come together and to save money. But, after saving money, most of the time, these women are not helped to start some economic activity. We are just following what is happening in Bangladesh. In Bangladesh, when the Gramin Bank was started, they were doing very well, because they were getting a lot of financial assistance from the Government, the World Bank and the IMF. Last month, when I visited a Gramin Bank in Dhaka, they told me that their recovery rate was hardly 60 per cent. When I asked them if the women really made money, after taking loans from the Gramin Banks, they replied in the negative. They said this money was just to sustain themselves. Here, what are we doing, Sir? In a country like ours, where we see that 90 per cent of the small-scale sector has failed,

3.00 p.m.

how can women, taking micro-credit to the tune of Rs.500 or Rs.1,000, make money for themselves? Is it possible? It is impossible. I would say that we are fooling the women of India. I had a personal interaction, after visiting the farms and talking to the women. They told me that they would prefer getting wage employment to this type of self-help groups where they are given some small amount in order to earn money. They are not able to get as much as the wages they could get. If they could get Rs.52 in the form of wages, under this type of scheme, they would hardly be able to make Rs.25 or Rs.30 out of it. That way, how can you empower the women economically? Until and unless the women empower themselves economically, they cannot have proper meals. How can their status be improved?

How can their status be improved? How can they, even if you give them political empowerment at the *panchayat* level, have that status, that confidence, and come up? It is not possible at all. So, I request the hon. Finance Minister, in regard to these micro-credit and self-help groups which are promoted, to kindly see the fact that when you have the self-help groups all over the country, when you are trying to encourage them, for them to be successful, they need forward and backward linkages. No micro-credit, without, forward and backward linkages can ever be successful. You know it. You are interacting with the corporate sector. What happens in the corporate sector? Only when they buy raw material on a large scale, they will get it at a rate that is worthwhile. Similarly, if they do not have forward linkages, that is marketing, if women produce any item which they cannot sell and they dump it, what is the use? This is how frustration has been created in a number of areas, particularly in tribal areas. I have seen tribal women collecting honey, producing honey, and keeping it. I have seen them manufacture *agarbathis* and not able to sell them. Because of that, their little hard-earned money, which they have saved among themselves, even that money, is blocked and they have become desperate. Therefore, whenever and wherever you encourage self-help groups, whenever and wherever you encourage micro-credit groups, micro-enterprises, I urge upon the Finance Minister, please see that forward and backward linkages are there so that these self-help groups, etc. become really an instrument for women to make money and to make a living for themselves.

Sir, there is the Mid-Day Meal Scheme. This scheme,, as you all

know, was introduced by the hon. Manmohan Singhji, the Leader of the Opposition, when he was the Finance Minister. I have seen in various remote villages, remote tribal areas, children having a hot mid-day meal. They used to be very, very happy. You travel down through the villages, you will get to see that. But, now, that Mid-Day Meal Scheme has been stopped in most of the States, except in a few States. Why is it so? It is so because most of the States do not have the money. The Central Government gives them some grain; that grain is passed on to the children; those children take it home. If the grain is good, they may cook and the entire family may eat. Otherwise, if the grain is not good, what happens? Yesterday we saw it on the TV. I could see it on the Star TV yesterday. The grain given through the PDS was rotten and rubbish and dust was coming out of it. It was totally black. If that sort of grain is given, naturally, they will take it and give it to animals. That is what is happening. Recently, somebody has filed a Public Interest Litigation and the Supreme Court, on the 28th or the 29th of November, has given directives to all the State Governments that they have to give cooked meal, hot meal, to the children; that is, 50 per cent of the children of each State should get hot meals within three months; and within six months, all the schools where they are giving mid-day meals, should give hot meals, cooked meals. Now, State Governments, as we all know, do not have adequate finances. Because of that, they have reverted and started giving grains instead of cooked meal. I urge upon the Finance Minister to kindly give some extra amount to the State Governments to ensure that State Governments give the children who come to school a hot meal so that that becomes an incentive for children to come to school, so that it becomes an incentive for the children to stay in the school, so that it becomes an incentive for the children to become healthy and so that the future generation remains really healthy. And they will be the builders of our country! So, Sir, I definitely urge upon you to kindly take note of it that States will not be able to go by the Supreme Court directives. They will find it very difficult. Therefore, please give them some extra allocation and ensure that all the children who come to school get hot, cooked, mid-day meals.

Sir, then, again, I was going through the tribal welfare, SC welfare, measures.

Here, you have given post-matric scholarships to 16 lakh students belonging to the Scheduled Castes, amounting to Rs.268 crores. The Scheduled Caste population in our country is 14 per cent, whereas you have

given post-matric scholarships to only 4 lakh Scheduled Tribe students, amounting to Rs.66 crores. The Scheduled Tribe population is 7 per cent of our total population. You are giving only Rs.66 crores to the students belonging to this 7 per cent Scheduled Tribes; but you are giving Rs.268 crores to the 14 per cent Scheduled Castes. In fact, the Scheduled Tribe children reside in remote villages. They have no access to schools and, especially, colleges. They have to stay in the hostels. Therefore, I urge upon the Finance Minister to increase this amount meant for tribal students, from Rs.66 crores, say, to a minimum of Rs.150 crores. You should also ensure that, at least, 20 lakh tribal students get this post-matric scholarships. Similarly, the amount of post-matric scholarship that you are giving is a very small amount. It is just Rs. 225 per month. Today, you know the cost of things. They have to buy books, they have to buy proper clothes; they have to have food; they have to have lights; they have to have all sorts of things. In these days of super specialities, how can the Scheduled Caste and the Scheduled Tribe children manage to go for post-matric education with just Rs.225 per month? This amount should be increased, at least, to Rs.1,000 per month so that these children can eat well, buy the books that they require, live reasonably well, and there is no discrimination between them and the other children. In these days, when you are downsizing the Government, the reservation for the Scheduled Castes and the Scheduled Tribes has become a joke. They will not get any job in the Government; they will not get any job in the public sector. The Disinvestment Minister is here. He will disinvest all the PSUs and they will not get any benefit whatsoever. They also need to get specialised and skilled education. They definitely need special assistance for that. Therefore, I urge upon the Finance Minister to set aside a large amount of money for their training and skill upgradatiori so that they can get jobs, and also start some small business and make a living for themselves.

उपसभाध्यक्ष (श्री रमाशंकर कौशिक) : आप कृपया समाप्त करें।

कुमारी मैबल रिबैलो: आप कहते हैं तो मैं समाप्त कर दूगीं । One last thing which I would like to speak about is this. It is not that our country does not have the resources. They say that 40 per cent of our GDP is black money. If that sort of money can be taxed, they say, we can collect Rs.3,50,000 crores, at today's rates of tax. I don't know why the Finance Minister does not come out with some innovative scheme to get this money

into the system so that more income is generated and more jobs are created. If there is money, jobs can be created, and we will not have this sort of unemployment problem today. It is not the population explosion alone that is haunting us. Actually, the educated unemployment is a very big problem in our country. Last week, I was in Cochin University. They told me that a block in Kerala had the highest rate of suicides, that is, 30 suicides per one lakh of population. That is the highest in the world. We are facing this type of a problem. Today, the youths, both boys and girls, the educated unemployed, are committing suicide. Tomorrow, they will not commit suicide. Tomorrow, they will become aggressive and start shooting you and me. They will get into the hands of anti-social elements and they will start a lot of anti-social activities that will destroy our economy and our country. Therefore, I urge upon the Finance Minister to come out with some innovative methods to get this black money into our system. The former Finance Minister, Dr. Manmohan Singh, had done this. He thought out some method, and a lot of money came into the system. Similarly, you Should try to do something. That will help the economy. Since there is not much time, I conclude with these words. Thank you.

MESSAGE FROM LOK SABHA

THE FINANCE BILL, 2002

SECRETARY-GENERAL: Sir, I have to report to the House the following message received from the Lok Sabha signed by the Secretary-General of the Lok Sabha: -

"In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose the Finance Bill, 2002, as passed by Lok Sabha at its sitting held on the 29th April, 2002.

2. The Deputy Speaker has under article 95(1) of the Constitution certified that this Bill is a Money Bill within the meaning of article 110 of the Constitution of India.'

Sir, I lay a copy of the Bill on the Table of the House.